



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

UNDER SECRETARY

May 23, 2003

The Honorable Richard H. Baker
Chairman
Subcommittee on Capital Markets, Insurance
and Government Sponsored Enterprises
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515-1805

Dear Mr. Chairman:

Thank you for your recent letter and for your continued leadership in this important area of public policy regarding government-sponsored enterprises. You inquired about this Administration's views on government-sponsored enterprises in the context of the testimony given by then-Under Secretary Gensler on March 22, 2002, and his clarification of March 24, 2002.

The most complete statement of this Administration's objectives and priorities regarding government-sponsored enterprises remains the testimony that I presented to your Subcommittee on July 16, 2002, together with my subsequent colloquy with you and other members of the Subcommittee.

Prominent among the issues that we discussed was the adequacy of regulation and supervision of the housing government-sponsored enterprises. In particular, we think that Congress could usefully consider the powers and resources of both the Office of Federal Housing Enterprise Oversight and the Federal Housing Finance Board and/or whether structural changes might improve the effectiveness of our oversight and regulation of the government-sponsored enterprises and other financial institutions.

We look forward to working with you and other members of Congress on these issues. Thank you again for your leadership in this area.

Sincerely,

Peter R. Fisher
Under Secretary for Domestic Finance